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Sale Hearing: June 30, 2009 at 9:45 a.m.
Objection Deadline: June 15, 2009

Attorney for Canadian National Railway
Company and its subsidiaries

**IN THE UNITED STATE BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:

Chapter 11

GENERAL MOTORS CORP., *et al.*,

Case No. 09-50026 (REG)

Debtors.

(Jointly Administered)

**LIMITED OBJECTION OF CANADIAN NATIONAL RAILWAY COMPANY
AND ITS SUBSIDIARIES TO DEBTORS ASSUMPTION
OF CONTRACTS AND PROPOSED CURE AMOUNTS**

NOW COMES, Canadian National Railway Company (the "CNR"), on behalf of itself and on behalf of its subsidiaries, including Grand Trunk Western Railroad Company ("GTW"), by and through its attorneys, Hiscock & Barclay, LLP, and respectfully submits this Limited Objection to the Debtors' Assumption of Contracts and Proposed Cure Amounts.

Background

1. On June 1, 2009 (the "Petition Date"), each of the above-referenced debtors (the "Debtors") filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Court").

2. Upon information and belief, the Debtors are operating their business and managing their properties as debtors in possession pursuant to Section 1107(a) and 1108 of the Bankruptcy Code.

3. The Debtors have contracts with CNR (for rail transportation services for parts and for vehicles) and GTW (for use of sidetracks).

4. On information and belief, on or about June 5, 2009, the Debtors issued a Notice of (I) Debtors' Intent to Assume and Assign Certain Executory Contracts and Unexpired Leases and (II) Cure Costs Related Thereto (the "Notice").

CNR and Its Subsidiaries Have Not Received All Notices

5. The procedure for assumption of contracts described in a 363 Sale Motion filed by the Debtors was for an agent, specifically Garden City Group, Inc., to mail the Notice to counterparties.

6. The Notice apparently is intended to provide a user ID and password for the counterparty to access a website, www.contractnotices.com, in which the counterparty could get information about the "Assumable Executory Contracts"¹ with the Debtors and any "Cure Amount" required to be paid.

7. On June 5, 2009, representatives of CNR contacted the Debtors to get information on this assumption process. The reason for this inquiry was that CNR wanted to make sure that the claims agent had the correct information for mailing purposes and to see what additional information CNR would get on the Assumable Executory Contracts, since without the user ID and password there was no other way to get information with regard to the contracts and cure

¹ Capitalized terms not otherwise defined have the meaning ascribed to them in the Notice.

amounts and CNR was concerned that the objection deadline would come and go without having adequate time to respond to any issues resulting from the Notice.

8. The Debtors indicated that the mailings would be done on June 5, 2009, and indicated that the mailings would go to an office in Troy. But, since a third-party was handling the mailings, the Debtors could not email or fax any additional information.

9. At the time, the understanding was that CNR would be receiving the Notice.

10. As of Tuesday, June 9, 2009, CNR had not received the Notice. CNR contacted a help desk number, (888) 409-2328, regarding the absence of receipt of the Notice, and spoke to an individual named Dan.

11. Dan indicated that a Notice to CNR was sent to Director, Contract Administration at 17641 Ashland Avenue in Homewood, Illinois, but that is not the address that CNR had provided to the Debtors the previous week.

12. As of Thursday, June 11, 2009, CNR had not received the Notice at the Homewood, Illinois address.

13. Dan at the help desk also indicated that a Notice went to GTW. Dan referred matters on this to the Garden City Group, Inc. at (703) 286-640, which did the mailings.

14. Dan would not, or could not, look up GTW but said that GTW and CNR should submit an email request to get another Notice sent out to the address that those entities specified.

15. CNR then sent an email request to the email address at Garden City Group, Inc. that Dan provided, and included the addresses for GTW and CNR. Garden City Group, Inc. responded by directing CNR back to the same GM help desk that CNR already contacted. An exhibit detailing this correspondence is attached as Exhibit 1.

16. On Wednesday, June 10, 2009, a Notice addressed to GTW, Attn: Manager, Asset Management, Real Estate Department was received in Troy, Michigan. It had a password and a user ID.

17. Representatives of GTW, a CNR subsidiary, using the user ID and password, went into the website to access the information that was provided.

18. The only information provided was a "vendor ID number" which does not match any number that CNR or its subsidiaries use and it listed the counterparty as Grand Trunk Western Railroad Incorporated.

19. It indicated that it was for one contract but did not indicate what contract it was referring to; it did not indicate any cure amounts that might be outstanding. A check of the GTW records shows that GTW has at least seven current contracts with the debtors and those contracts are industry leases, most likely rail siding agreements.

20. But, given the Notice that GTW received, it is not clear to which contract the Notice is referring to, if any of them.

21. In addition, as of this date, no Notice has been received by CNR, which has two master agreements, one for parts and one for vehicles with the Debtors.

22. Nonetheless, the Debtors have indicated that they intend to assume and assign certain contracts involving CNR and that Debtors have established the amount that Debtors believe must be paid to cure all prepetition defaults under the respective Assumable Executory Contracts as of the Commencement Date in accordance with section 365(b) of the Bankruptcy Code.

Objection to Cure Amounts

23. Given the representation that all Notices were mailed on June 5, 2009, and that the objection deadline according to the Notice is June 15, 2009, and that CNR has not received any information on assumption which would allow it to verify what the actual cure amount is, or contractual issues or contracts at issue are, or, in the case of GTW, verify which contract the Notice refers to, CNR and its subsidiaries, including GTW, are filing this limited objection to the assumption of the contracts and the listed Cure Amounts, because neither CNR nor GTW know what contracts are being assumed and assigned, what issues there may be, nor what the cure amounts may be, in spite of diligent efforts to get such information.

24. CNR and its subsidiaries reserve any and all rights with regard to assumption and cure amounts, and with respect to the Debtors obligation to provide adequate assurance of future performance by the assignee.

Waiver of Memorandum of Law

24. Pursuant to Local Bankruptcy Rule for the Southern District of New York 9013-1(b), because there are no novel issues of law presented herein, CNR respectfully requests that the Court waive the requirement that CNR file a memorandum of law in support of this Objection.

WHEREFORE, Canadian National Railway Company, on behalf of itself and its subsidiaries, respectfully objects to the Cure Amounts, subject to it's receipt and review of such Amounts, and to the additional terms and conditions for assumption and assignment of Assumable Executory Contracts, and requests that this Court deny the relief sought unless the rights of Canadian National Railway Company, and its subsidiaries, are fully reserved with respect thereto.

Dated: June 11, 2009

Respectfully submitted,

HISCOCK & BARCLAY, LLP

By: /s/ J. Eric Charlton
Bar Roll No. JC-0878

Attorneys for Canadian National Railway Company
and its subsidiaries

Office and Post Office Address
One Park Place
300 South State Street
Syracuse, New York 13202-2078
Telephone: (315) 425-2716

EXHIBIT "1"

Michael J. Barron, Jr.

From: MARK.SCHOENHALS@CN.CA
Sent: Thursday, June 11, 2009 7:51 AM
To: GMCourtDocs@gardencitygroup.com
Cc: KEVIN.DOUCET@CN.CA; Michael J. Barron, Jr.
Subject: Re:

Garden City Group:

This is odd since the GM Help Line directed me to Garden City Group to have the notices re-sent to the correct address's as detailed below.

I was informed by GM that your company did the original mailings and were responsible for any subsequent mailings.

Please send the requested documents.

Mark Schoenhals
CN Rail
2800 Livernois, Ste 200
Troy, MI 48083

GMCourtDocs@gardencitygroup.com

06/10/2009 03:18 PM

To MARK.SCHOENHALS@CN.CA

cc KEVIN.DOUCET@CN.CA, "Michael J. Barron, Jr." <mbarron@fletcher-sippel.com>

Subject Re:

Dear Mr. Schoenhals,

Thank you for your email inquiry. GM has established a Supplier Call Center to answer all of your questions related to the Assumption Notice, including how to obtain additional copies of the Assumption Notice.

Please contact the Supplier helpline directly by calling 1.888.409.2328. Representatives are available to assist you 24 hours a day.

Sincerely,

The Garden City Group, Inc.
GM Claims Agent

From: MARK.SCHOENHALS@CN.CA
To: gmcourtdocs@gardencitygroup.com

6/11/2009

Cc: KEVIN.DOUCET@CN.CA, "Michael J. Barron, Jr." <mbarron@fletcher-sippel.com>
Date: 06/09/2009 03:40 PM
Subject:

Wes at your help desk (703-286-6401) asked me to contact you to have another notice of "assumption or Assignment of Contracts" sent. We have not received ours yet. The notices for our companies should be resent:

- Canadian National Railroad
- Grand Trunk Western Railroad
- Autoport LTD

Due to the delay in receipt we would prefer these notifications be emailed or faxed with a follow up copy by mail:

mark.schoenhals@cn.ca
FAX number 248-740-6649

Mail copies should go to:

Mark Schoenhals
Account Manager
Canadian National Railroad
2800 Livernois RD
Suite 200
Troy, MI 48083

Confirmation and expedited handling of this request is appreciated.

6/11/2009

Michael J. Barron, Jr.

From: MARK.SCHOENHALS@CN.CA
Sent: Tuesday, June 09, 2009 2:25 PM
To: Michael J. Barron, Jr.
Cc: Helen Tolbert; Keith Bonnyman; KEVIN.DOUCET@CN.CA; Liana.Thibodeau@cn.ca; Phil Rutledge; pierrelouis.piotte@cn.ca; Wayne Randell; E.ROBIDOUX@CNworldwide.com
Subject: RE: Fw: Assumption and assignment of contracts

Michael:

GM has a help desk 888-409-2328 to answer questions regarding the notification. I called it and Dan looked CN up and said it was mailed Friday to:

Director Contract Administration
17641 Ashland Avenue
Homewood, IL 60430

There was also one sent to Grand Trunk and Autoport with incomplete addresses - no street, Autoport's address lacked the country?? On this matter Dan referred me to the Garden City Group, 703-286-6401, who did the mailing. He couldn't or wouldn't look Autoport or Grand Trunk up but said if we submit an email request they will send out another notice to the address we specify. To save time I'll request all (including CN) be sent to Troy. As info the Garden City email is gmcourtdocs@gardencitygroup.com

Mark

"Michael J. Barron, Jr." <mbarron@fletcher-sippel.com>

06/09/2009 01:36 PM

To <KEVIN.DOUCET@CN.CA>, "Wayne Randell" <WAYNE.RANDELL@CN.CA>, "Keith Bonnyman" <Keith.Bonnyman@cn.ca>, "Helen Tolbert" <Helen.Tolbert@cn.ca>, <Liana.Thibodeau@cn.ca>, <pierrelouis.piotte@cn.ca>

CC "Mark Schoenhals" <mark.schoenhals@cn.ca>, "Phil Rutledge" <phil.rutledge@cn.ca>
Subject RE: Fw: Assumption and assignment of contracts

I apologize. I spoke too soon. What we got in Homewood was simply the notice to creditors alerting them to the sale of assets of GM and of the creditors' meeting. I saw the word assumption in the text and I thought it was the notice of assumption when I first looked at it. But I will alert Paul Ladue and the Law Department here to watch for other mailings.

Mike Barron

From: KEVIN.DOUCET@CN.CA [mailto:KEVIN.DOUCET@CN.CA]
Sent: Tue 6/9/2009 11:02 AM
To: Wayne Randell; Keith Bonnyman; Helen Tolbert; Michael J. Barron, Jr.
Cc: Mark Schoenhals; Phil Rutledge
Subject: Fw: Fw: Assumption and assignment of contracts

6/11/2009

The gm "cure" letter mailed friday. We have not yet received. Michael - assuming this is a generic letter, would we be able to determine the general content of the letter from another source. I assume the 10 day clock has been ticking from friday.

Sent from my BlackBerry.

From: scott.mcmillan
Sent: 09/06/2009 11:50 AM AST
To: Mark Schoenhals
Cc: jeffrey.dzierbicki@gm.com; Kevin Doucet
Subject: Re: Fw: Assumption and assignment of contracts

Confirmed

Scott McMillan
Manager - Purchasing & Engineering
Outbound Logistics
Phone: 313-665-5026
Mobile: 586-899-2557
e-mail: scott.mcmillan@gm.com

MARK.SCHOENHALS@CN.CA

06/09/2009 11:22 AM

To scott.mcmillan@gm.com
cc KEVIN.DOUCET@CN.CA, jeffrey.dzierbicki@gm.com
Subject Fw: Assumption and assignment of contracts

Scott:

Can you confirm if subject notice was mailed on Friday? We have today's US mail and it did not show up yet.

Thanks

Mark

----- Forwarded by Mark Schoenhals/SCHOENHA/CNR/CA on 06/09/2009 11:19 AM -----
scott.mcmillan@gm.com

06/04/2009 03:12 PM

To MARK.SCHOENHALS@cn.ca
cc KEVIN.DOUCET@cn.ca
Subject Re: Assumption and assignment of contracts

6/11/2009

Notices will be sent tomorrow (via mail) to the address on your PO.

Scott McMillan
Manager - Purchasing & Engineering
Outbound Logistics
Phone: 313-665-5026
Mobile: 586-899-2557
e-mail: scott.mcmillan@gm.com
MARK.SCHOENHALS@cn.ca

06/04/2009 03:04 PM

To scott.mcmillan@gm.com
cc KEVIN.DOUCET@cn.ca
Subject Assumption and assignment of contracts

Scott:

Do you know who this notification will be sent to at CN. Also when will the notice be sent?

Thanks

Mark

"On June 2, the Bankruptcy Court for GM entered an order regarding a sale process for GM's assets. It included a procedure for the assumption and assignment of contracts. The process requires GM to send out notices to contracting parties (such as us). But unlike Chrysler, there does not appear to be a corresponding list filed with the court. What happens is that the notice the parties receive will contain log-in info for contracting parties to go into a website, <http://www.contractnotices.com>, submit a username and password (to be given in the notice) and look up info on their contracts, including info on the cure amounts".

6/11/2009